

Kirby Corporation

2012 Annual Report



MICHAEL MCCREERY
WILMINGTON DE

2012 Quarterly Review

(In thousands, except per share amounts) (Unaudited)

First Quarter	2012	2011	Change
Revenues	\$ 566,935	\$ 299,359	89%
Net earnings*	\$ 50,944	\$ 32,430	57%
Earnings per share*	\$.91	\$.60	52%
EBITDA	\$ 124,748	\$ 80,417	55%

- Results reflect the April 15, 2011, acquisition of United Holdings and the July 1, 2011, acquisition of K-Sea Transportation
- Marine transportation inland fleet demand strong with utilization in the 90% to 95% range and favorable pricing trends
- Marine transportation coastal fleet demand weak
- Diesel engine services continued to benefit from high demand for land-based oilfield equipment, and service and parts sales in the marine, power generation and land-based markets
- Included a \$.05 per share charge to the fair value of United's contingent earnout liability

Second Quarter	2012	2011	Change
Revenues	\$ 511,848	\$ 437,331	17%
Net earnings*	\$ 47,551	\$ 41,692	14%
Earnings per share*	\$.85	\$.77	10%
EBITDA	\$ 118,041	\$ 99,233	19%

- Marine transportation inland fleet demand strong with utilization in the 90% to 95% range and favorable pricing trends
- Marine transportation coastal fleet hindered by high maintenance related costs and continued weak demand
- Diesel engine services land-based demand for oilfield equipment, service and parts sales fell significantly with decline in natural gas prices, while marine and power generation demand remained positive

Third Quarter	2012	2011	Change
Revenues	\$ 521,324	\$ 563,582	(7)%
Net earnings*	\$ 53,055	\$ 52,734	1%
Earnings per share*	\$.95	\$.94	1%
EBITDA	\$ 127,634	\$ 128,269	(1)%

- Low water levels on the Mississippi River and Hurricane Isaac negatively impacted results
- Marine transportation inland fleet demand strong with utilization in the 90% to 95% range and favorable pricing trends
- Marine transportation coastal fleet demand reflected improvements in key markets
- Diesel engine services land-based demand remained weak, while marine and power generation demand stable

Fourth Quarter	2012	2011	Change
Revenues	\$ 512,551	\$ 550,145	(7)%
Net earnings*	\$ 57,888	\$ 56,170	3%
Earnings per share*	\$ 1.03	\$ 1.00	3%
EBITDA	\$ 136,454	\$ 128,293	6%

- Marine transportation results reflect the November 1, 2012, purchase of Allied Transportation fleet and the December 14, 2012, acquisition of Penn Maritime
- Marine transportation inland fleet demand strong with utilization in the 90% to 95% range and favorable pricing trends
- Marine transportation coastal fleet demand improved, along with favorable pricing and positive results from Allied and Penn acquisitions
- Diesel engine services land-based demand remained weak, while marine and power generation demand stable
- Included a \$.09 per share credit to the fair value of United's contingent earnout liability

* Net earnings represent net earnings attributable to Kirby and earnings per share represents diluted earnings per share attributable to Kirby common stockholders.

Statements made in this Annual Report with respect to the future are forward-looking statements. These statements reflect Management's reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update any such statements. A list of these factors can be found in Kirby's Annual Report on Form 10-K for the year ended December 31, 2012, included in this Annual Report and filed with the Securities and Exchange Commission.

Financial Highlights

For the years ended December 31,

(In thousands, except per share amounts)

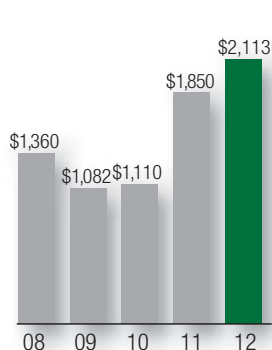
	2012	2011	2010	2009	2008
Revenues:					
Marine transportation	\$ 1,408,893	\$ 1,194,607	\$ 915,046	\$ 881,298	\$ 1,095,475
Diesel engine services	703,765	655,810	194,511	200,860	264,679
	\$ 2,112,658	\$ 1,850,417	\$ 1,109,557	\$ 1,082,158	\$ 1,360,154
Net earnings attributable to Kirby	\$ 209,438	\$ 183,026	\$ 116,249	\$ 125,941	\$ 157,168
Net earnings per share attributable to Kirby common stockholders (diluted)	\$ 3.73	\$ 3.33	\$ 2.15	\$ 2.34	\$ 2.91

EBITDA—Earnings before interest, taxes, depreciation and amortization:*

Net earnings attributable to Kirby	\$ 209,438	\$ 183,026	\$ 116,249	\$ 125,941	\$ 157,168
Interest expense	24,385	17,902	10,960	11,080	14,064
Provision for taxes on income	127,907	109,255	72,258	78,020	97,444
Depreciation and amortization	145,147	126,029	95,296	93,968	91,199
EBITDA*	\$ 506,877	\$ 436,212	\$ 294,763	\$ 309,009	\$ 359,875
Property and equipment, net	\$ 2,315,165	\$ 1,822,173	\$ 1,118,161	\$ 1,085,057	\$ 990,932
Total assets	\$ 3,653,128	\$ 2,960,411	\$ 1,794,937	\$ 1,635,963	\$ 1,526,098
Long-term debt, including current portion	\$ 1,135,110	\$ 802,005	\$ 200,134	\$ 200,239	\$ 247,307
Total equity	\$ 1,707,054	\$ 1,454,158	\$ 1,159,139	\$ 1,056,095	\$ 893,555

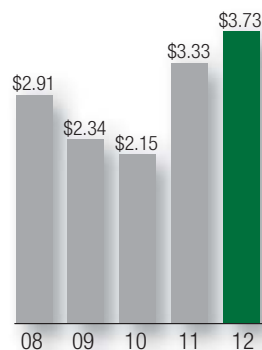
Revenues

(In millions)



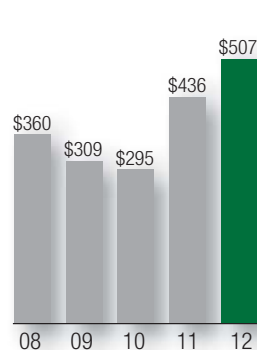
Earnings Per Share

(In millions)

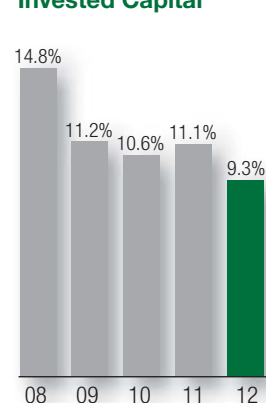


EBITDA*

(In millions)



Return on Invested Capital**



* EBITDA, defined as net earnings attributable to Kirby before interest expense, taxes on income, depreciation and amortization, is a non-GAAP financial measure used by Kirby because of its wide acceptance as a measure of operating profitability before nonoperating expenses (interest and taxes) and noncash charges (depreciation and amortization).

** Return on invested capital is defined as net earnings attributable to Kirby plus interest expense (net of taxes) divided by total average invested capital (average equity plus average debt). For 2010, adjusted to reflect average debt levels net of cash and cash equivalents.

To Our Shareholders

In the mid-1980s, Kirby's management team and its Board of Directors defined its strategy to build a great marine transportation franchise by consolidating the inland tank barge industry. During this period, the underlying fundamentals for the inland tank barge market were strong, but masked by industry overcapacity, which prevented pricing and utilization that enabled acceptable returns. As a result, inland tank barge assets could be bought at a discount. Kirby became the major consolidator, and when the purchased fleets were combined with Kirby's existing inland fleet, it led to synergies that increased shareholder value and provided our customers with a more reliable and flexible service. Since the mid-1980s, Kirby has continued to follow this strategy and through 27 separate inland acquisitions has successfully built what is today the premier inland tank barge transportation company in the United States.

In 2010, the coastal tank barge industry mirrored the inland tank barge industry of the mid-1980s, a business with sound fundamentals, but one with excess capacity and with assets that could be bought at a discount. During 2011, we positioned Kirby to be a major player in the coastal tank barge industry with the acquisition of K-Sea Transportation Partners L.P., now named Kirby Offshore Marine. K-Sea's coastal fleet, at the date of acquisition, consisted of 57 tank barges with a capacity of 3.8 million barrels and 63 tugboats operating along the East, Gulf and West Coasts, and in Alaska and Hawaii.

Our coastal consolidation continued in the fourth quarter of 2011 with the purchase of Seaboat's three 80,000 barrel double hull tank barges and three tugboats. In November 2012, we purchased 10 coastal double hull tank barges with 680,000 barrels of capacity, three offshore dry-bulk barges and seven coastal tugboats from Allied Transportation Company. In December 2012, we acquired Penn Maritime Inc. Penn's fleet consisted of 18 coastal double hull tank barges with 1.9 million barrels of capacity and 16 tugboats. As a result of these acquisitions, our coastal fleet as of December 31, 2012, consisted of 86 coastal tugboats and 81 tank barges, only two of which are single hull, with 6.3 million barrels of capacity. Today, Kirby Offshore Marine is the largest coastal tank barge operator in the 195,000 barrel or less class in the United States.

With a continued strong inland tank barge market and an improving coastal tank barge market, we reported record-setting 2012 results. Revenues were \$2.1 billion, a 14% increase compared with \$1.85 billion for 2011. Net earnings were \$209 million, or 14% above the \$183 million reported for 2011. Earnings per share were \$3.73, a 12% increase compared with \$3.33 for 2011.

The operating performance of our inland tank barge business remained robust throughout 2012, with the petrochemical and black oil fleets achieving consistent tank barge utilization in the 90% to 95% range, which led to continued favorable pricing. Driven by a continued low-cost natural gas feedstock advantage, the United States petrochemical demand remained strong. Black oil demand was driven by stable refinery output, healthy export levels of lube oil and diesel fuel, and the movement of crude oil and gas condensate from the liquid rich Bakken and Utica shale formations to the Gulf Coast, as well as the movement of Eagle Ford crude along the Gulf Intracoastal Waterway.

At the beginning of 2012, our coastal tank barge market was challenging, with equipment utilization in the 70% to 75% range. The coastal tank barge industry had overbuilt in anticipation of the 2014 OPA 90 required phaseout of single hull barges and, unlike the inland sector, has been slow to remove its older capacity. During the second half of 2012, particularly in the fourth quarter, we experienced significant improvements in demand in the coastal markets attributable to a combination of tighter capacity, driven by new demand for the coastal transportation of crude oil and natural gas condensate, and higher heating oil demand, associated with cooler weather in the Northeast in December. Our coastal utilization in the fourth quarter improved to the high 80% range and we were able to increase pricing.

We made substantial progress during 2012 with the integration of Kirby Offshore Marine into Kirby. To date, we have integrated our administrative, accounting, sales, vessel training, safety and maintenance functions. The integration of Allied and Penn is progressing as planned and we are very pleased with the quality of the employees that are now part of Kirby.

In total, our Marine Transportation Group revenues were \$1.4 billion in 2012, up 18% from 2011 revenues of \$1.2 billion. Operating income was \$312 million in 2012, up 19% from \$262 million in 2011. We recorded an operating margin of 22.1% in 2012 compared with 21.9% in 2011, primarily due to continued high inland barge utilization and pricing, along with improved coastal barge utilization and pricing in the second half of 2012.

Our acquisition of United Holdings in 2011 positioned us to expand our marine diesel engine service model to land-based engines. Over the last several years, a significant amount of pressure pumping horsepower was added to the land-based oil service industry due to the growth of the shale plays in the United States. Building equipment for the oil service industry is profitable, but can also be

cyclical. When we purchased United, we inherited a strong backlog to build new pressure pumping equipment. With the decline in natural gas prices during 2012, the pressure pumping manufacturing market became more challenging. However, during 2012 we made significant inroads into transitioning United's business to a service model. Although we will continue to build new oilfield equipment, our emphasis will be on servicing existing equipment.

For our legacy diesel engine services business, we benefited from increased service work on marine diesel engines in support of the Gulf of Mexico offshore supply and drilling industries, and stable demand from inland and offshore marine transportation and power generation customers.

In total, our Diesel Engine Services Group revenues were \$704 million in 2012, up 7% from 2011 revenues of \$656 million. Operating income was \$66 million in 2012, down 3% from \$68 million in 2011. The operating margin for 2012 was 9.4% compared with 10.4% for 2011.

During 2012, we continued to invest in our marine fleet, spending \$312 million on capital expenditures. We spent \$136 million for new inland tank barges and towboats, \$60 million for progress payments on the construction of two offshore dry-bulk barge and tugboat units, scheduled for completion in the first half of 2013, and \$116 million primarily for upgrades to our existing inland and coastal fleets and diesel engine services facilities. Since 2008, through our inland tank barge construction program, we have reduced the age of our inland tank barge fleet from 24.0 years to 17.7 years at the beginning of 2013. We will reduce the age of our inland fleet further with the delivery of 55 new inland tank barges in 2013. The average age of our coastal tank barges was 15.9 years at the beginning of 2013. Our younger inland and coastal fleets improve our reliability and flexibility, and reduce maintenance costs.

This year, as part of our Annual Report, we have included a map of the United States reflecting the inland waterways system and coastal ports, and our diesel engine services facility locations, as well as the shale oil and gas plays that are linked to both our marine transportation and our diesel engine services segments.

I wish to thank each and every Kirby employee who contributes on a daily basis to our success for making 2012 a record-setting year. I also want to thank our Board of Directors for their continued guidance and direction, as well as our customers, who have worked so closely with us during 2012 dealing with the low water level challenges.

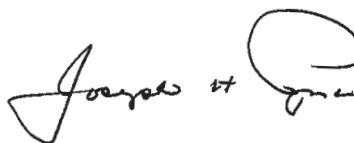
I particularly want to thank Berdon Lawrence, who recently retired from the Kirby Board. Berdon served as Chairman of the Board from October 1999 to April 2010 and served as Chairman Emeritus of the Kirby Board from

May 2010 until December 2012. Berdon was the founder and former President of Hollywood Marine, Inc., an inland tank barge company acquired by Kirby in October 1999. Berdon served with distinction on the Kirby Board, helping guide the growth of Kirby from \$753 million in assets in 1999 to over \$3.6 billion today and from our revenue of \$513 million in 1999 to over \$2.1 billion in 2012.

I am also pleased to welcome a new director to our Board. William "Bill" Waterman, former President of Penn, joined the Board effective December 31, 2012. Bill brings a wealth of expertise and knowledge of the coastal transportation market. I also want to welcome our new offshore employees who came to us from the Allied and Penn acquisitions.

2012 was a great year for Kirby. The two strategic coastal marine transportation acquisitions completed in late 2012 significantly enhanced our position in the coastal trade. The combination of our inland and coastal marine businesses enhances an already great marine transportation franchise. Our goal will be to continue providing the safest and most reliable marine transportation and diesel engine services to our customers while creating value for our shareholders.

Respectfully submitted,



Joseph H. Pyne
Chairman and Chief Executive Officer

Houston, Texas

March 8, 2013



Joe Pyne
Chairman and Chief Executive Officer

Marine Transportation Group

Kirby Inland Marine is the United States' largest inland tank barge operator, transporting bulk liquid cargoes throughout the Mississippi River System and along the Gulf Intracoastal Waterway.

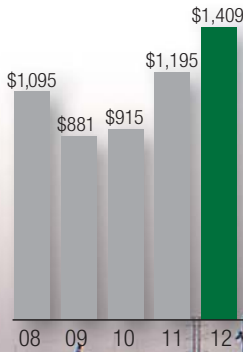
Kirby Offshore Marine is the United States' largest coastal tank barge operator in the 195,000 barrel or less category, transporting bulk liquid cargoes along all three coasts and in Alaska and Hawaii.

Coastal tank barge operations expanded in November 2012 with the purchase of the transportation assets of Allied Transportation Company and in December 2012 with the acquisition of Penn Maritime Inc.

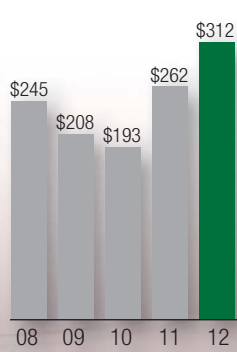
Kirby transports petrochemicals, refined petroleum products, black oil products and agricultural chemicals for a blue chip list of customers.

Kirby is a "One-Stop Shop" for customers, providing a critical link in customers' supply chains, transporting and transferring bulk liquid products that keep plants and refineries operating efficiently.

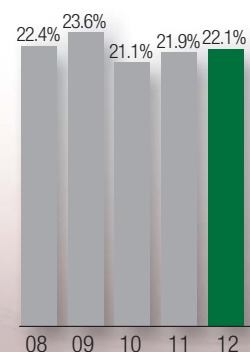
Revenues
(In millions)



Operating Income
(In millions)



Operating Margin



Results of Operations for 2012

- Operating income of \$312 million on revenue of \$1.41 billion compared with operating income of \$262 million on revenue of \$1.19 billion for 2011.
- Operating margin of 22.1% compared with 21.9% for 2011.
- 2012 results include full year of operations of K-Sea Transportation, now Kirby Offshore Marine, acquired on July 1, 2011, and the purchase of Allied in November 2012 and Penn in December 2012.
- 51% of revenue from transportation of petrochemicals, 26% refined petroleum products, 19% black oil products and 4% agricultural chemicals.
- Higher revenues and operating income reflected consistent and healthy demand across all inland markets with equipment utilization in the 90% to 95% range and favorable pricing, the result of strong production volumes from United States petrochemical customers for both domestic and foreign destinations; from black oil products customers due to steady refinery production levels; from the continued exports of heavy fuel oil; and from the transportation of crude oil to the Gulf Coast from shale formations in South Texas and the Midwest.
- Low natural gas prices, a basic feedstock for the United States petrochemical industry, provided that industry with a competitive advantage over foreign producers.
- The coastal fleet utilization for the first half of 2012, primarily for the transportation of refined petroleum products, was 75% with pricing of contract renewals flat and spot contracts improving modestly.
- The coastal fleet utilization for the second half of 2012 reflected higher demand in most markets with increased crude and condensate movements and the expansion of the coastal customer base to inland customers with coastal requirements, leading to fleet utilization in the 75% to 80% range for the third quarter and 85% to 90% range for the fourth quarter.
- Allied and Penn contributed positive results from their dates of acquisition.



Multiple inland tank barges at the San Jacinto River fleet near the Houston Ship Channel. Kirby Inland Marine operates the largest commercial fleet service (temporary barge storage facilities) in numerous ports, including Houston, Corpus Christi and Freeport, Texas, and Baton Rouge and New Orleans, Louisiana. This photo was taken by James Bates, a Pilot for Kirby Inland Marine.

Kirby Inland Marine

Services Offered

- United States' largest inland transporter of bulk liquid products by tank barge throughout the Mississippi River System and the Gulf Intracoastal Waterway, including the Houston Ship Channel.
- Transports petrochemicals, black oil products, refined petroleum products and agricultural chemicals for United States petrochemical and refining companies.

Strengths

- Kirby's inland fleet consists of 841 tank barges, comprising 16.7 million barrels of cargo capacity and representing approximately 26% of the total number of industry inland tank barges, and 253 towboats.
- Offers safe, dependable, cost-effective and environmentally sound transportation of bulk liquid products throughout the nation's inland waterways system.
- Fleet size, distribution systems and communication systems allow for economies of scale through the ability to match tank barges, towboats, products and destinations more efficiently.



- Towboats are operated by highly trained crews supported by experienced shoreside staff, and state-of-the-art communication and training systems and facilities.
- Approximately 75% of business under term contracts, of which 57% are under time charters, and 25% of revenue under spot contracts.

Markets

- **Petrochemicals:** Products transported include benzene, styrene, methanol, acrylonitrile, xylene, caustic soda, butadiene, propylene, butane and propane. Drivers are manufacture of consumer nondurable goods (70%) and consumer durable goods (30%).

- **Black Oil Products:** Products transported include residual fuel oil, coker feedstock, vacuum gas oil, asphalt, carbon black feedstock, crude oil, natural gas condensate and ship bunkers. Drivers are fuel for power plants and ships, feedstocks for refineries, certain durable goods and road construction.
- **Refined Petroleum Products:** Products transported include various blends of finished gasoline, gasoline blendstocks, No. 2 oil, jet fuel, heating oil, diesel fuel, naphtha and ethanol. Drivers are vehicle usage, air travel, weather conditions and refinery utilization.
- **Agricultural Chemicals:** Products transported include anhydrous ammonia, nitrogen-based liquid fertilizer and industrial ammonia. Drivers are corn, cotton and wheat production, and chemical feedstock usage.

Tank Barge Fleet	
Petrochemicals/Refined products	650
Black oil products	117
Pressure	59
Anhydrous ammonia	10
Specialty	5
Total	841
Total Barrel Capacity	16.7 MM
Towboat Fleet	
800–1300 hp	103
1400–1900 hp	81
2000–2400 hp	35
2500–3200 hp	17
3300–4900 hp	12
5000 hp and greater	2
Spot charters	3
Total	253

A Kirby Inland Marine tow on the Mississippi River passes through St. Louis, Missouri, with the St. Louis Gateway Arch in the background. Kirby Inland Marine is one of the few inland tank barge operators with the ability to offer its customers distribution capabilities throughout the Mississippi River System and the Gulf Intracoastal Waterway. This photo was taken by James Bates, a Pilot for Kirby Inland Marine.

Kirby Offshore Marine

Services Offered

- United States' largest coastal transporter of bulk liquid products by tank barge in the 195,000 barrels or less category, operating along the East, Gulf and West Coasts and in Alaska and Hawaii.
- Transports refined petroleum products, black oil products and petrochemicals for United States refining and petrochemical companies.

Tank Barge Fleet

Refined products/Petrochemicals	50
Black oil products	31
Total	81
Total Barrel Capacity	6.3 MM

Tugboat Fleet

1000–1900 hp	7
2000–2900 hp	11
3000–3900 hp	19
4000–4900 hp	24
5000–6900 hp	13
Greater than 7000 hp	12
Total	86

Strengths

- Kirby's coastal fleet consists of 81 tank barges (79 of which are double hull), comprising 6.3 million barrels of cargo capacity and representing approximately 30% of the total number of industry coastal tank barges in the 195,000 barrels or less category, and 86 tugboats.
- Services and markets expanded with the purchase of the transportation assets of Allied in November 2012 and the acquisition of Penn in December 2012.
- Widest geographic presence in the coastal tank barge industry with operations on the East, West and Gulf Coasts and in Alaska and Hawaii.
- Single-source provider to large refining and petrochemical companies that require broad geographic coverage.
- As of December 31, 2012, approximately 70% of revenues under term contracts with the Allied and Penn fleets, of which 90% are under time charters, and 30% of revenue under spot contracts.



Markets

- **Refined Petroleum Products:** Products transported include various blends of finished gasoline, gasoline blendstocks, No. 2 oil, jet fuel, heating oil, diesel fuel, naphtha and ethanol. Drivers are vehicle usage, air travel, weather conditions and refinery utilization.
- **Black Oil Products:** Products transported include residual fuel oil, coker feedstock, vacuum gas oil, asphalt, carbon black feedstock, crude oil, natural gas condensate and ship bunkers. Drivers are fuel for power plants and ships, feedstock for refineries, certain durable goods and road construction.
- **Petrochemicals:** Products transported include cumene, phenol, acetone, cyclohexane and caustic soda. Drivers are manufacture of consumer nondurable goods (70%) and consumer durable goods (30%).



The MV Arabian Sea, a Kirby Offshore Marine 4000 horsepower coastal tugboat, works on the Hudson River in New York. Kirby Offshore Marine operates on the East, West and Gulf Coasts, as well as in Alaska and Hawaii.

Diesel Engine Services Group

Kirby Engine Systems provides aftermarket service for medium-speed and high-speed diesel engines, reduction gears and other ancillary products used in marine and power generation applications.

United Holdings services and distributes high-speed diesel engines and transmissions, pumps and compression products, and manufactures and remanufactures customized oilfield service equipment, including pressure pumping equipment.

Kirby employs over 600 factory-trained and authorized project engineers, mechanics, machinists and manufacturing technicians.

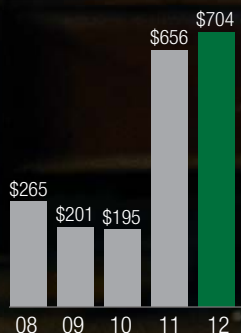
Provides in-house service through 33 strategically located United States service and parts facilities, as well as field service nationwide and worldwide.

Service and distribution relationships with EMD, MTU, Caterpillar, Cummins, Detroit Diesel, John Deere, Isuzu, Allison Transmission, Daimler Trucks, Alfa Laval and other leading equipment manufacturers.

Offers customers a single source for the distribution and service of engines, transmissions, gears and related Original Equipment Manufacturer (OEM) replacement parts, and the manufacture and remanufacture of oilfield service equipment and compression systems.

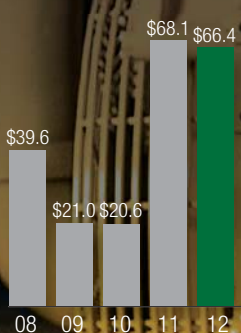
Revenues

(In millions)

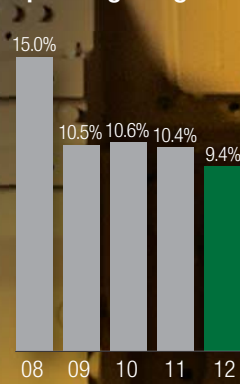


Operating Income

(In millions)

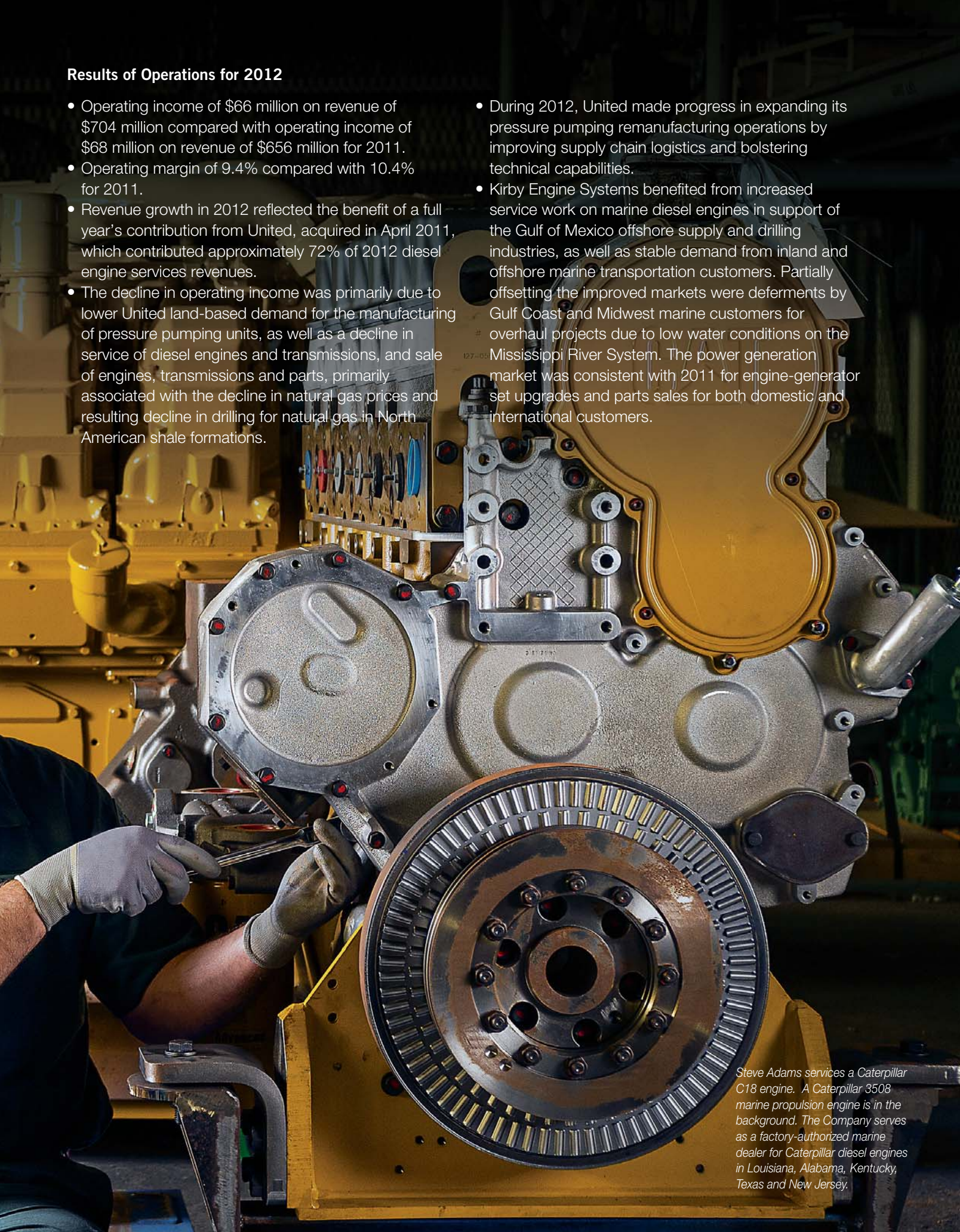


Operating Margin



Results of Operations for 2012

- Operating income of \$66 million on revenue of \$704 million compared with operating income of \$68 million on revenue of \$656 million for 2011.
- Operating margin of 9.4% compared with 10.4% for 2011.
- Revenue growth in 2012 reflected the benefit of a full year's contribution from United, acquired in April 2011, which contributed approximately 72% of 2012 diesel engine services revenues.
- The decline in operating income was primarily due to lower United land-based demand for the manufacturing of pressure pumping units, as well as a decline in service of diesel engines and transmissions, and sale of engines, transmissions and parts, primarily associated with the decline in natural gas prices and resulting decline in drilling for natural gas in North American shale formations.
- During 2012, United made progress in expanding its pressure pumping remanufacturing operations by improving supply chain logistics and bolstering technical capabilities.
- Kirby Engine Systems benefited from increased service work on marine diesel engines in support of the Gulf of Mexico offshore supply and drilling industries, as well as stable demand from inland and offshore marine transportation customers. Partially offsetting the improved markets were deferments by Gulf Coast and Midwest marine customers for overhaul projects due to low water conditions on the Mississippi River System. The power generation market was consistent with 2011 for engine-generator set upgrades and parts sales for both domestic and international customers.



Steve Adams services a Caterpillar C18 engine. A Caterpillar 3508 marine propulsion engine is in the background. The Company serves as a factory-authorized marine dealer for Caterpillar diesel engines in Louisiana, Alabama, Kentucky, Texas and New Jersey.

Kirby Engine Systems

Services Offered

- Leading United States marine and power generation service and replacement parts provider for medium-speed and high-speed diesel engines, as well as ancillary products provider for reduction gears, transmissions, starters, governors and marine clutches.
- Provides factory-trained and authorized project engineers, mechanics and machinists to overhaul and repair diesel engines and ancillary products, sells OEM replacement parts, maintains facilities to rebuild component parts, entire engines and ancillary products, and sells new engines.
- Through long-standing customer relationships and a nationally recognized diesel engine services brand, Kirby provides an essential service to support the day-to-day operations of its marine and power generation domestic and international customers.

Strengths

- With 13 strategically located service and parts facilities along the Gulf Coast, East Coast, West Coast and Midwest, Kirby has the largest service area of any United States marine and power generation diesel engine services provider.
- Distributorships, dealerships and contract service center relationships with major manufacturers of diesel engines, reduction gears, transmissions and other ancillary products.



Markets

- **Marine:** Medium-speed and high-speed diesel engines and ancillary products on inland and offshore towing vessels, offshore oilfield service vessels and drilling equipment, harbor docking tugs, commercial fishing fleets, inland dredging equipment, Great Lakes carriers, coastal ferries and United States government vessels.
- **Power Generation:** Diesel engines and safety related products used in standby, peak and base load domestic utilities and the worldwide nuclear power industry.

Service Locations

Medium-Speed Diesel Engines

Houma, LA
Paducah, KY
Rocky Mount, NC
Chesapeake, VA
Seattle, WA
Tampa, FL

High-Speed Diesel Engines

Houma, LA
Baton Rouge, LA
Belle Chasse, LA
New Iberia, LA
Mobile, AL
Thorofare, NJ
Houston, TX

Manufacturer Relationships

Medium-Speed Diesel Engines

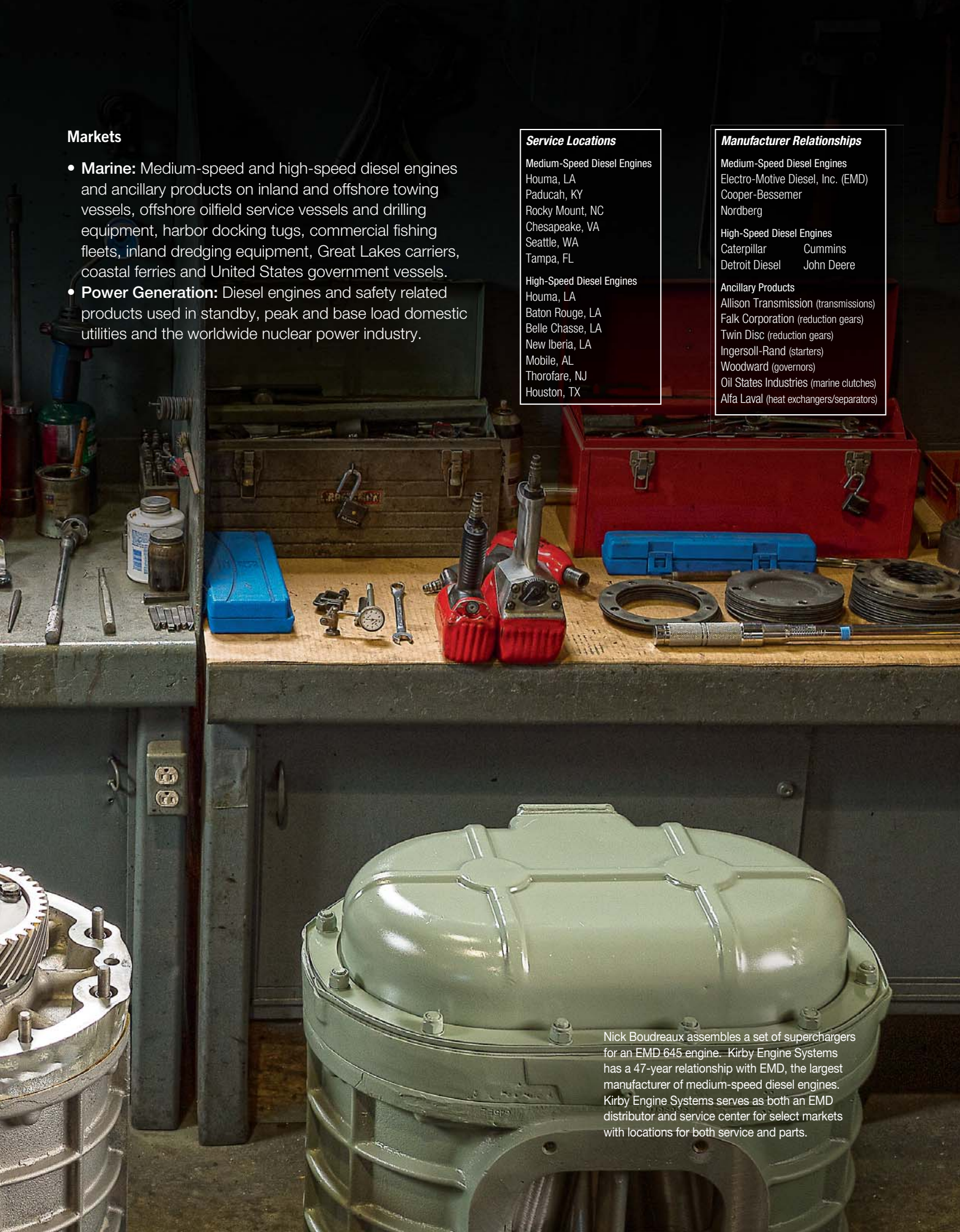
Electro-Motive Diesel, Inc. (EMD)
Cooper-Bessemer
Nordberg

High-Speed Diesel Engines

Caterpillar Cummins
Detroit Diesel John Deere

Ancillary Products

Allison Transmission (transmissions)
Falk Corporation (reduction gears)
Twin Disc (reduction gears)
Ingersoll-Rand (starters)
Woodward (governors)
Oil States Industries (marine clutches)
Alfa Laval (heat exchangers/separators)



Nick Boudreaux assembles a set of superchargers for an EMD 645 engine. Kirby Engine Systems has a 47-year relationship with EMD, the largest manufacturer of medium-speed diesel engines. Kirby Engine Systems serves as both an EMD distributor and service center for select markets with locations for both service and parts.

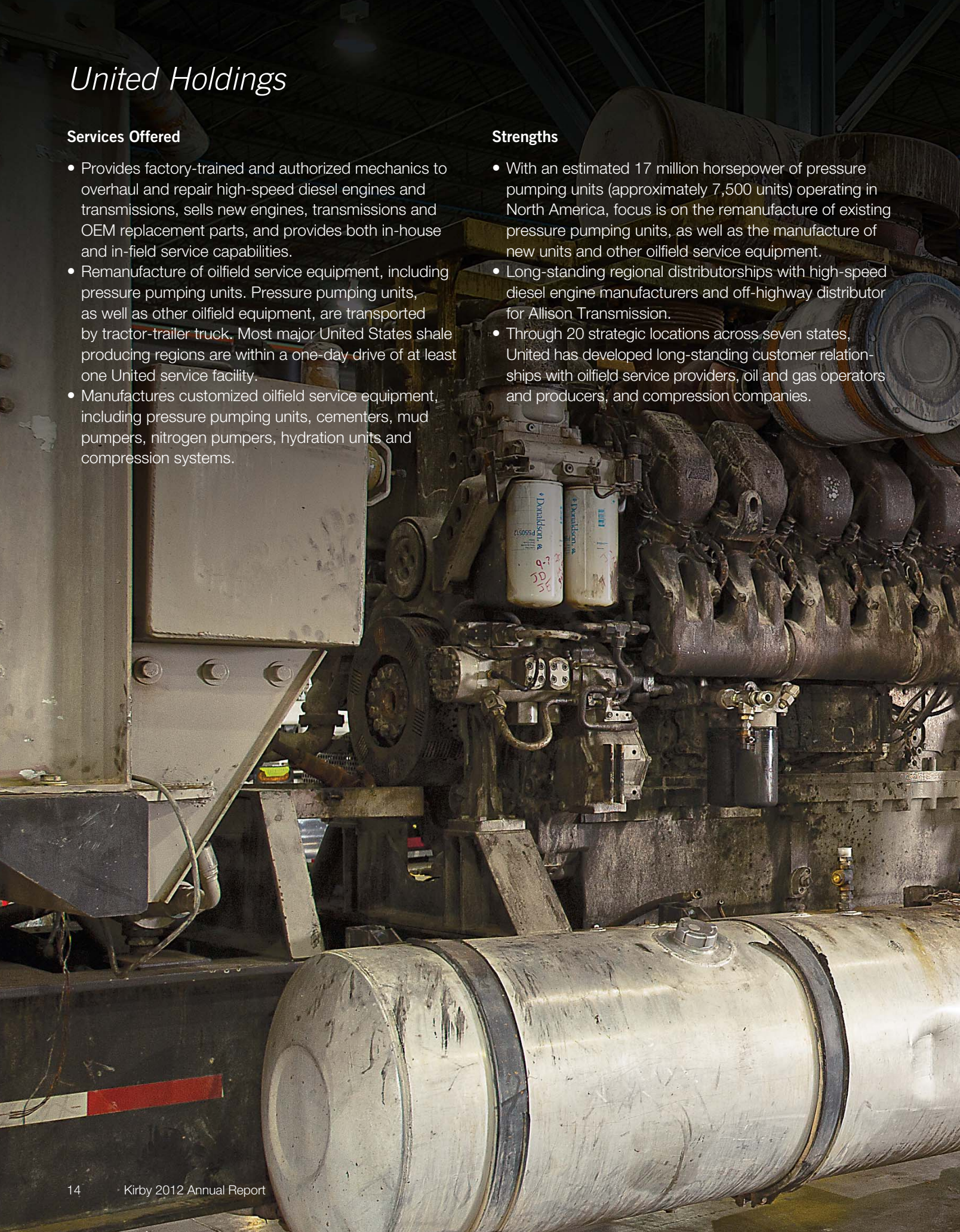
United Holdings

Services Offered

- Provides factory-trained and authorized mechanics to overhaul and repair high-speed diesel engines and transmissions, sells new engines, transmissions and OEM replacement parts, and provides both in-house and in-field service capabilities.
- Remanufacture of oilfield service equipment, including pressure pumping units. Pressure pumping units, as well as other oilfield equipment, are transported by tractor-trailer truck. Most major United States shale producing regions are within a one-day drive of at least one United service facility.
- Manufactures customized oilfield service equipment, including pressure pumping units, cementers, mud pumpers, nitrogen pumpers, hydration units and compression systems.

Strengths

- With an estimated 17 million horsepower of pressure pumping units (approximately 7,500 units) operating in North America, focus is on the remanufacture of existing pressure pumping units, as well as the manufacture of new units and other oilfield service equipment.
- Long-standing regional distributorships with high-speed diesel engine manufacturers and off-highway distributor for Allison Transmission.
- Through 20 strategic locations across seven states, United has developed long-standing customer relationships with oilfield service providers, oil and gas operators and producers, and compression companies.



Markets

- **Service and Distribution:** Service and distribution facilities centered in the United States shale production regions and transportation corridors. Drivers are the engines, transmissions and existing oilfield service equipment, particularly by pressure pumping units, used in the development of United States shale formations, and the transportation, power generation, municipalities, agriculture and construction industries.
- **Manufacturing:** Manufacture of oilfield service equipment, including pressure pumping units. Drivers are the expanding exploration of North American shale formations. Market also includes the manufacture of customized compression systems for the production, storage and pipeline transportation of natural gas.

Locations

Manufacturing


Oklahoma City, OK (5 locations)
Henderson, CO

Distribution and Service

Oklahoma City, OK
Tulsa, OK
Little Rock, AR
Van Buren, AR
Shreveport, LA
Billings, MT
Amarillo, TX
Austin, TX
Houston, TX
Laredo, TX
Lubbock, TX
Pharr, TX
San Antonio, TX
Casper, WY

Manufacturer Relationships

MTU
Allison Transmission
Daimler Trucks NA
Detroit Diesel
Isuzu
Heil
Tymco
Cameron
Dresser-Rand
Waukesha
FS-Elliott
Gardner Denver
GM Powertrain
Thermo King



Ryan Coleman with United inspects a used pressure pumping unit in their facility in Oklahoma City. Over the last several years, a significant amount of pressure pumping horsepower has been added to the land-based oil service industry due to the growth of the North American shale plays. With an estimated 17 million horsepower of pressure pumping units (approximately 7,500 units) operating in North America, United's focus is on the remanufacturing of existing pressure pumping units.

Board of Directors

Richard J. Alario²
Chairman, President and CEO of
Key Energy Services, Inc.
Director since 2011

C. Sean Day^{3,4}
Chairman of Teekay Corporation
Director since 1996

Bob G. Gower^{1,2,3}
Retired Chairman of Lyondell
Petrochemical Company
Director since 1998

William M. Lamont, Jr.^{1,3,4}
Private Investor
Director since 1979

David L. Lemmon²
Retired President and CEO of
Colonial Pipeline Company
Director since 2006

Monte J. Miller^{3,4}
Retired Executive Vice President,
Chemicals, of Flint Hills Resources, LP
Director since 2006

George A. Peterkin, Jr.¹
Chairman Emeritus of Kirby
Director since 1973

Joseph H. Pyne¹
Chairman of the Board and
Chief Executive Officer of Kirby
Director since 1988

Richard R. Stewart²
Retired President and CEO of
GE Aero Energy
Director since 2008

William M. Waterman
Retired President and CEO of
Penn Maritime Inc.
Director since 2012

¹ Executive Committee

² Audit Committee

³ Compensation Committee

⁴ Governance Committee

Officers

Kirby Corporation

Joseph H. Pyne
Chairman of the Board and
Chief Executive Officer

Gregory R. Binion
President and Chief
Operating Officer

David W. Grzebinski
Executive Vice President and
Chief Financial Officer

David D. Whisenhunt
Executive Vice President—
Engine Services

Ronald A. Dragg
Vice President and Controller

G. Stephen Holcomb
Vice President—Investor Relations

Amy D. Husted
Vice President—Legal

David R. Mosley
Vice President and
Chief Information Officer

Christian G. O'Neil
Vice President—Human Resources

Joseph H. Reniers
Vice President—Supply Chain

Renato A. Castro
Treasurer

Thomas G. Adler
Secretary

Marine Transportation Group

Kirby Inland Marine, LP

William G. Ivey
President

Mel R. Jodeit
Executive Vice President—
Marketing

James C. Guidry
Senior Vice President—Vessel
Operations

John E. Russell
Senior Vice President—Sales

John W. Sansing, Jr.
Senior Vice President—
Maintenance

William M. Withers
Senior Vice President—Sales

Stephen C. Butts
Vice President—Sales

Robert D. Goolsby
Vice President—Facility Operations

Patrick C. Kelly
Vice President—Kirby Logistics
Management

Richard C. Northcutt
Vice President—Traffic

Lester A. Parker
Vice President—River Vessel
Operations

C. Linn Peterson
Vice President—Canal Vessel
Operations

Cliff R. Stanich
Vice President—Sales

Thomas H. Whitehead
Vice President—Sales

Carl R. Whitlatch
Vice President and Controller

Kirby Offshore Marine, LLC

David W. Grzebinski
Chairman

James F. Farley
President

Gordon Smith
President—Pacific Region

John W. Sansing, Jr.
Senior Vice President—
Maintenance

Thomas M. Sullivan
Senior Vice President—Vessel
Operations

William M. Withers
Senior Vice President—Sales

William L. Oppenheimer
Vice President—Maintenance

Carl R. Whitlatch
Vice President and Controller

Kirby Ocean Transport Company

Joseph H. Pyne
President

William M. Withers
Vice President

Osprey Line, L.L.C.

John T. Hallmark
President

Charles J. Duet
Vice President

Diesel Engine Services Group

Kirby Engine Systems, Inc.

Dorman Lynn Strahan
President

Mia C. Cradeur
Vice President and Controller

David H. Farrar
Vice President—Procurement
and Distribution

John A. Manno
Vice President—Business
Development

Engine Systems, Inc.

John A. Manno
Vice President

P. Scott Mangan
Vice President—East Coast

Marine Systems, Inc.

Lynn A. Ahlemeyer
Vice President—Gulf Coast
and West Coast

Thomas W. Bottoms
Vice President—Midwest

Troy A. Bourgeois
Vice President—Sales

United Holdings LLC

Bill F. Moore, Jr.
President

David W. Grage
Chief Financial Officer

Kirk K. Waite
Chief Accounting Officer

United Engines UE Manufacturing

Garth C. Bates, III
Vice President—Administration and
Strategic Planning

Christopher J. Rinehart
Vice President—Engineered
Products

Ronnie E. Stover
Vice President—Sales

David L. Tonne
Vice President—Aftermarket

UE Compression

John W. Vevurka
President

G. Keith Kern
Vice President—Operations

Thermo King of Houston

W. Kirk Robison
President

Shareholder Information

Annual Meeting

The 2013 Annual Meeting of Stockholders will be held at Kirby's Houston office, 55 Waugh Drive, 9th Floor, Houston, Texas 77007, at 10:00 a.m. (CDT), Tuesday, April 23, 2013.

Corporate Headquarters

Executive Office:

55 Waugh Drive, Suite 1000
Houston, Texas 77007
Telephone: (713) 435-1000
Fax: (713) 435-1010
Web site: www.kirbycorp.com

Mailing Address:

P.O. Box 1745
Houston, Texas 77251-1745

Inquiries Regarding Stock Holdings

Registered shareholders (shares held in owner's name) should address communications concerning address changes, lost certificates and stock transfers to:

Computershare Trust Company, N.A.
P.O. Box 43078
Providence, Rhode Island 02940-3078
Telephone: (781) 575-2897
Web site: <http://computershare.com>

Beneficial shareholders (shares held in the name of banks or brokers) should address communications to their banks or stockbrokers.

All other inquiries should be addressed to G. Stephen Holcomb, Vice President—Investor Relations, at Kirby's corporate headquarters.

Web Site

For more investor information, as well as information about Kirby, visit Kirby's web site at www.kirbycorp.com.

Independent Registered Accountants

KPMG LLP
BG Group Place
811 Main Street, Suite 4500
Houston, Texas 77002

Common Stock Information

Stock trading symbol—KEX
The New York Stock Exchange is the principal market for Kirby's common stock. As of March 1, 2013, there were 56,719,000 common shares outstanding held by approximately 800 registered shareholders. The number of registered shareholders does not reflect the number of beneficial owners of common stock.

Common Stock Market Price

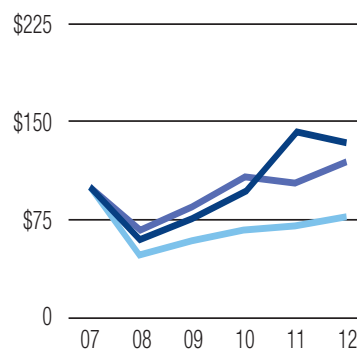
	Sales Price	
	High	Low
2013		
First Quarter (through March 1, 2013)	\$77.05	\$61.41
2012		
First Quarter	\$70.61	\$61.20
Second Quarter	\$67.36	\$42.78
Third Quarter	\$58.83	\$45.72
Fourth Quarter	\$61.89	\$53.60
2011		
First Quarter	\$60.00	\$43.29
Second Quarter	\$58.25	\$50.97
Third Quarter	\$60.00	\$47.23
Fourth Quarter	\$66.36	\$49.00

Financial and Investor Relations

Copies of Kirby's Form 10-K (which is incorporated in this Annual Report) are available free of charge. Either contact G. Stephen Holcomb, Vice President—Investor Relations, at Kirby's corporate headquarters, e-mail Steve.Holcomb@kirbycorp.com, or visit Kirby's web site at www.kirbycorp.com.

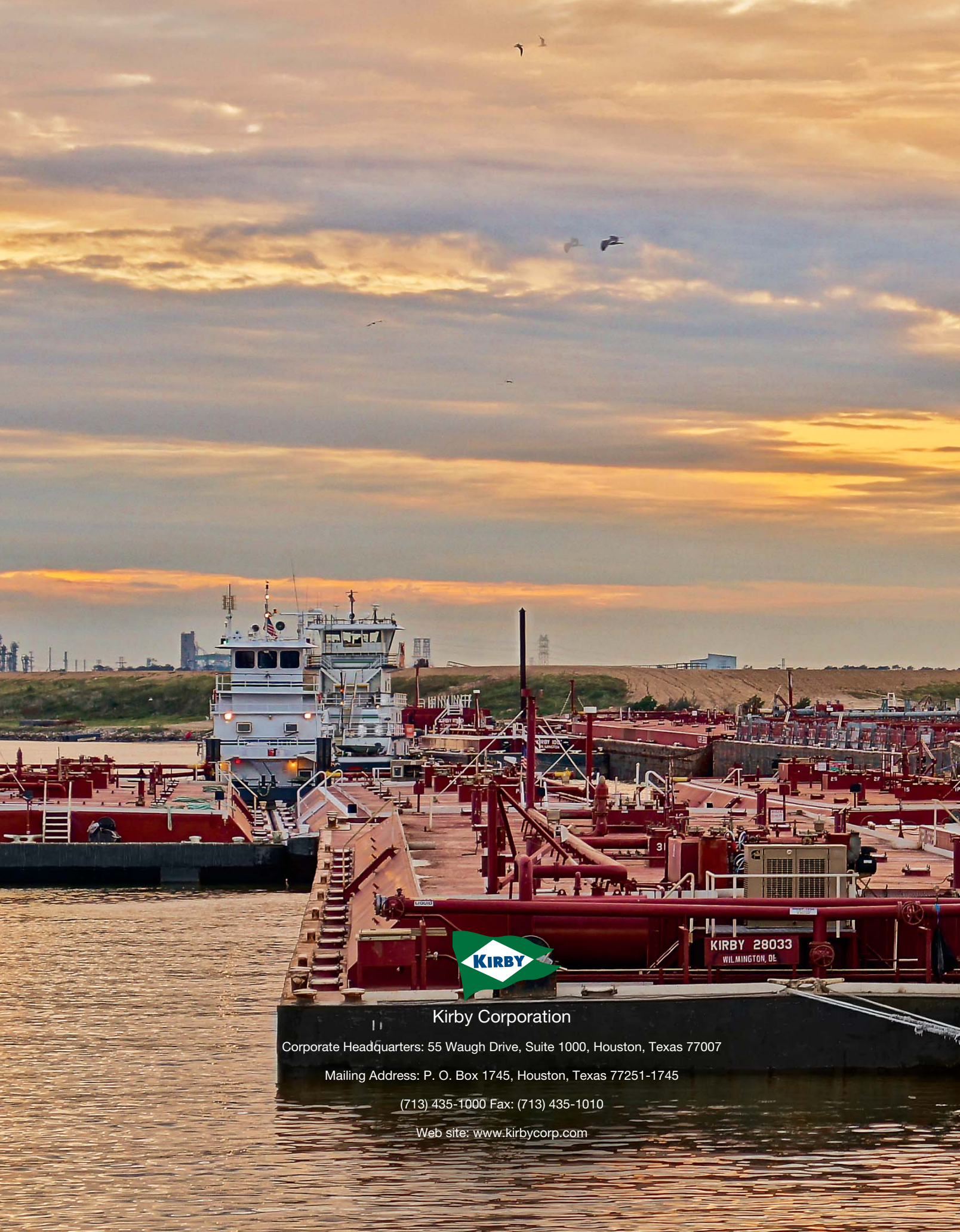
Comparison of 5 Year Cumulative Total Return

Return on \$100 invested on December 31, 2007, in stock or index, including reinvestment of dividends. Fiscal year ended December 31.



	12/07	12/08	12/09	12/10	12/11	12/12
Kirby Corporation	100.00	58.86	74.94	94.77	141.65	133.15
Russell 2000	100.00	66.21	84.20	106.82	102.36	119.09
Dow Jones US Marine Transportation	100.00	47.09	58.46	66.82	69.71	76.83

■ Kirby Corporation ■ Russell 2000 ■ Dow Jones US Marine Transportation



Kirby Corporation

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(713) 435-1000 Fax: (713) 435-1010

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